

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00

PA-01 ICA-11 SP-02 /037 W

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P R 301616Z MAY 78

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC PRIORITY 8444

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

COMICEDEFOR KEFLAVIK IC

CINCLANT NORFOLK VA

CINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 1 OF 2 REYKJAVIK 0721

E.O. 11652: GDS

TAGS: PINT, IC

SUBJECT: MUNICIPAL ELECTIONS: REYKJAVIK RESULTS

REF: A. REYKJAVIK 0706 (DTG 261133Z MAY 78); B. REYKJAVIK 0716
(DTG 301204Z MAY 78)

SUMMARY:. CLIFF-HANGING OUTCOME OF REYKJAVIK MUNICIPAL ELECTION RESULTED IN DEFEAT OF INCUMBENT INDEPENDENCE PARTY AND ANTICIPATED INSTALLATION OF "LEFT COALITION" IN CAPITAL. WITH OPPOSITION ABLE TO BRING NATIONAL ISSUES INTO LOCAL ELECTION, BOTH MEMBERS OF NATIONAL GOVERNING COALITION SUFFERED AND BOTH OPPOSITION PARTIES GAINED SHARPLY. INDEPENDENTS, LARGELY RESPONSIBLE FOR OWN DEFEAT, HAVE REASON TO FEAR THAT NEW MAJORITY WILL CHANGE RULES THEREBY MAKING THEIR RETURN TO POWER IN REYKJAVIK, LONG-TIME PARTY STRONGHOLD, MORE DIFFICULT. END SUMMARY.

1. RESULTS OF MAY 28 MUNICIPAL ELECTION IN REYKJAVIK WERE STARTLING AND COULD NOT BE DETERMINED UNTIL LAST
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OF ABSENTEE BALLOTS WERE COUNTED. INDEPENDENCE PARTY (IP) WHICH HAD GOVERNED WITH MAJORITY OF THE FIFTEEN-MEMBER COUNCIL FOR OVER FIFTY YEARS WAS REDUCED TO SEVEN SEATS AFTER WINNING SMALLEST SHARE OF VOTE IN MANY YEARS. EIGHTH SEAT, WHICH WOULD HAVE BEEN RETAINED WITH ONLY 71 MORE VOTES (OUT OF OVER 47,000 CAST) BECAME FIFTH SEAT FOR PEOPLE'S ALLIANCE (PA) WHICH

WILL NOW BE CENTERPIECE OF LEFT-OF-CENTER COALITION
THAT WILL GOVERN NATION'S CAPITAL.

2. IP, WHICH HAD GOVERNED REYKJAVIK WELL, WAS UNABLE
TO PREVENT NATIONAL ECONOMIC ISSUES FROM INFLUENCING
ELECTORATE. PA, ALL BUT IGNORING LOCAL MATTERS, SPENT
LITTLE TIME ON ISSUES BUT WHEN IT DID, ISSUES WERE
RELATED TO NATIONAL ECONOMY AND FAILURE OF NATIONAL
GOVERNING COALITION TO ACT EFFECTIVELY. ALTHOUGH
OTHER TWO PARTIES STUCK TO LOCAL CONCERNS, PROGRESSIVE
PARTY (PP) AS MEMBER OF NATIONAL GOVERNMENT AND SOCIAL
DEMOCRATS (SDP) AS OPPOSITION WERE HURT AND HELPED
RESPECTIVELY BY NATIONAL ISSUES. THIS WAS FIRST
OPPORTUNITY FOR VOTERS TO GO TO POLLS SINCE IP-PP
COALITION TOOK OFFICE IN 1974, AND THEIR MESSAGE
TO GOVERNING PARTIES WAS CLEAR. RESULTS OF REYKJAVIK
VOTE AS FOLLOWS (1974 FIGURES IN PARENTHESES):

	VOTE	PERCENTAGE	SEATS
SDP	6,261(3,034)	13.2 (6.4)	2 (1)
PP	4,367(7,641)	9.4 (16.1)	1 (2)
IP	22,109(26,973)	46.6 (57.0)	7 (9)
PA	13,862(8,512)	29.2 (17.9)	5 (3)
OTHER	810(1,162)	1.8 (2.6)	-

3. IN CONTRIBUTING TO DEFEAT, IP WAS OWN WORST
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ENEMY. ALTHOUGH THERE WAS CONSIDERABLE CONCERN ABOUT
POSSIBILITY OF REYKJAVIK DEFEAT SOME MONTHS AGO, MANY
IN PARTY HAD BECOME RATHER CONFIDENT DURING RECENT
WEEKS ABOUT HOLDING MAJORITY. IP FAILURE TO CONDUCT
ACTIVE CAMPAIGN REENFORCED VOTER APATHY AND KEPT
TURNOUT, 83.7 PERCENT, LOW BY LOCAL STANDARDS. IN-
DEPENDENCE PARTY MACHINE ALSO SEEMED TO BREAK DOWN.
LOW NUMBER OF ABSENTEE BALLOTS (WHICH HAVE TRADITION-
ALLY GONE TO IP) DID NOT RING ANY ALARM BELLS UNTIL
TOO LATE. LOW TURNOUT WAS MONITORED ALL DURING DAY
AT PARTY HEADQUARTERS, BUT IP COULD NOT MOBILIZE
UNTIL LATE INTO DAY. WHEN IT THEN DID TRY TO GET OUT
THE PARTY FAITHFUL, IP FOUND TO ITS DISMAY THAT MANY
VOTERS DID NOT WANT TO GO TO POLLS. WITH IP CALCU-
LATING THAT IT WINS BETWEEN SIX AND EIGHT OF EACH TEN
VOTES BEYOND 80 PERCENT TURNOUT, ABSENCE OF GREATER
PARTICIPATION PROVED TO BE CRITICAL FACTOR IN IP
DEFEAT.

4. IP DAILY MORGUNBLADID ALSO DESERVES (AND HAS
PRIVATELY ACCEPTED) PART OF BLAME. IN EACH REYKJAVIK
ELECTION FOR YEARS MORGUNBLADID HAS RUN AGAINST "THE

COMMUNISTS" WHETHER OR NOT PA WAS REALLY SERIOUS
THREAT TO IP MAJORITY. MORGUNBLADID FINALLY CRIED
WOLF ONCE TOO OFTEN. PAPER GAVE CONSIDERABLE FREE
PUBLICITY TO PA AND IN RETURN, WHEN IT LATCHED ONTO
LINE ABOUT KARL MARX BECOMING NEXT MAYOR OF REYKJAVIK
IP WAS MADE TO LOOK RATHER FOOLISH.

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C O N F I D E N T I A L SECTION 2 OF 2 REYKJAVIK 0721

5. PA PUT FORTH STRONG LIST IN REYKJAVIK MUNICIPAL
ELECTION (AS OPPOSED TO WHAT IS CONSIDERED A MEDI-
OCRE SLATE FOR NEXT MONTH'S NATIONAL ELECTIONS IN
SAME CONSTITUENCY), AND ACTIVELY PROMOTED THE WELL-
KNOWN FIGURE WHO WAS FOURTH ON LIST. SHREWDLY HOP-
ING THAT PA COULD THUS WIN FOURTH COUNCIL SEAT,
PARTY WAS ITSELF SHOCKED WHEN, IN EARLY MORNING
HOURS OF COUNTING LAST OF THE BALLOTS, ITS FIFTH
CANDIDATE SQUEAKED THROUGH AS WELL.

6. PROGRESSIVES HAD THREE STRIKES AGAINST THEM
BEFORE THEY EVEN CAME UP TO BAT: PARTNERSHIP IN
NATIONAL GOVERNMENT, INACTION AS PART OF REYKJAVIK
COUNCIL OPPOSITION, AND SCANDAL WHICH ALREADY LED
TO DEFEAT IN PRIMARY OF ONE PP COUNCILMAN. PP
STRENGTH IN CAPITAL, DECLINING FOR TWELVE YEARS,
WAS SUDDENLY REDUCED BY OVER FORTY PERCENT. ALL IN-
DICATIONS ARE THAT THIS WILL FORESHADOW PP RESULTS
IN NEXT MONTH NATIONAL ELECTION WHICH MAY LEAVE PARTY

WITH ONLY SINGLE MP FROM REYKJAVIK.

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7. SDP OUTCOME WAS MIRROR IMAGE OF THAT OF PP. RESURGENCE OF PARTY, DESPITE UNPOPULAR FIGURE AT TOP OF LIST AND UNKNOWN QUANTITY IN SECOND SPOT, IS ATTRIBUTED TO SDP'S NEW FACES FOR ALTHING LIST, WELL-PUBLICIZED PRIMARY CAMPAIGNS, AND ITS ATTENTION TO SOLVING NATION'S ECONOMIC PROBLEMS. THAT SDP COULD DO SO WELL IN MUNICIPAL ELECTION BODES WELL FOR PARTY PROSPECTS NEXT MONTH.

8. PA, SDP, AND PP WILL FORM LEFT-OF-CENTER COALITION TO GOVERN CITY FOR NEXT FOUR YEARS. PERSONAL AND PARTISAN CONFLICTS ARE LIABLE TO DOMINATE REYKJAVIK GOVERNMENT OVER THIS PERIOD AND MAY BEGIN SOON WITH NEED TO SELECT NEW MAYOR. INCUMBENT, AND IP COUNCILMAN, WILL STAY ON COUNCIL BUT IT IS UNLIKELY THAT HIS SUCCESSOR WILL BE A COUNCIL MEMBER. WHEN ASKED ABOUT NEW MAYOR, PA LEADER OF COUNCIL SAID THAT HE WOULD START ADVERTISING FOR ONE THIS WEEK, AND IT APPEARS THAT BUSINESSMEN OR SOMEONE ELSE WITH MANAGERIAL EXPERIENCE WILL BE HIRED FOR JOB - IF THREE PARTIES IN COALITION CAN AGREE UPON CANDIDATE. OVER LONGER TERM, THREE-PARTY COALITION WILL PROBABLY NOT CHANGE WAY IN WHICH CITY IS MANAGED ALTHOUGH EFFECTIVENESS IS LIKELY TO DECLINE. IT ALSO APPEARS CERTAIN THAT NEW MAJORITY WILL MOVE TO INCREASE NUMBER OF SEATS ON COUNCIL TO MAKE IT MUCH MORE DIFFICULT FOR ONE PARTY (IP) TO WIN MAJORITY OF SEATS.

9. FURTHER COMMENT FOLLOWS SEPTTEL.

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